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ATTORNEYS FOR SPARTECH CORPORATION
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

DELPHI CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 05-44481(RDD)

(Jointly Administered)

**OBJECTION OF SPARTECH CORPORATION AND SPARTECH POLYCOM
TO NOTICE OF CURE AMOUNT WITH RESPECT TO EXECUTORY
CONTRACT OR UNEXPIRED LEASE TO BE ASSUMED AND ASSIGNED IN
CONNECTION WITH THE SALE OF INTERIORS AND CLOSURES BUSINESS**

Spartech Corporation and Spartech Polycom (collectively, “Spartech”), by and through undersigned counsel, hereby file this objection to Debtors’ *Notice of Cure Amount With Respect to Executory Contract or Unexpired Lease to be Assumed and Assigned in Connection with the Sale of Interiors and Closures Business* (the “Cure Notice”). In support of this objection, Spartech states as follows:

1. Pursuant to the *Order Under 11 U.S.C. § 363 and Fed. R. Bankr. P. 2002 and 9014 (I) Approving Bidding Procedures, (II) Granting Certain Bid Protections, (III) Approving Form and Manner of Notices, and (IV) Setting Sale Hearing Date In Connection With Sale of Interiors and Closures Business* (the “Bidding Procedures Order”), Delphi Corporation and certain of its affiliates filed the Cure Notice on or about November 29, 2007.

2. The Notice purports to put Spartech on notice that the Debtors will assume and assign three contracts with Spartech in connection with the sale of Debtors’ Interiors and Closures Businesses. Exhibit 1 to the Notice lists the following contracts with Spartech to be assumed:

CONTRACT TO BE ASSUMED	DEBTORS’ CURE AMOUNT
Confidentiality Agreement between Spartech Ploycom and Delphi Automotive Systems Corporation da	\$0.00
Purchase Order Number(s) 550057020	\$0.00
Purchase Order Number(s) 550057021	\$0.00

3. The Cure Notice advises that the Selling Debtor Entities will pay the amount their records reflect is owing for prepetition arrearages. The Notice further represents that the Debtors’ records reflect that all postpetition amounts owing under the contracts to be assumed and assigned have been paid and will continue to be paid until assumption and assignment.

4. Spartech disputes and objects to the foregoing representations and the Cure Notice on the basis that the proposed Cure Amounts are incorrect. Currently, Spartech is owed \$30,635.36 for product delivered post-petition under PO # 550057020 and \$11,093.72 for product delivered post-petition under PO # 550057021.

5. The amount due Spartech related to Delphi’s purchase of products under these

invoices is subject to change as a result of any future transactions. Spartech further asserts that all amounts due and owing relating to the purchase orders must be cured prior to any assumption or assignment.

6. Section 365(b)(1) of the Bankruptcy Code provides, in substance and relevant part, that a debtor

may not assume a contract or lease unless, at the time of assumption of such contract or lease, the trustee [or the debtor in possession] —

(A) cures or provides adequate assurance that the trustee [*i.e.*, the Debtor] will promptly cure, such default...

This section of the Bankruptcy Code was enacted to ensure that “the contracting parties receive the full benefit of their bargain if they are forced to continue performance.” *Eastern Airlines, Inc., v. Insurance Co. of Penn (In re Ionosphere Clubs, Inc.)* 85 F.3d 992, 1000 (2nd Cir. 1996).

7. Because the legal points and authorities upon which this objection relies are incorporated herein and do not represent novel theories of law, Spartech respectfully requests that the requirement of service and filing of a separate memorandum of law under Local Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York be deemed satisfied.

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WHEREFORE, Spartech Corporation and Spartech Polycom request that the Court condition the assumption and assignment of any of the foregoing executory contracts to Inteva Products, LLC, or any other purchaser of Delphi's Interiors and Closures Businesses, on the prior payment of the full and correct cure amount, together with such other relief as is just and proper.

Dated: December 10, 2007
Florham Park, NJ

By: /s/ Richard M. Meth
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